



FY2021 ANNUAL REPORT



MASSACHUSETTS
DEPARTMENT
OF REVENUE



LETTER FROM THE COMMISSIONER

To the Honorable Charlie Baker, Governor of the Commonwealth, and the Honorable Members of the General Court of Massachusetts:

I am pleased to present the Massachusetts Department of Revenue's (DOR) Fiscal Year 2021 Annual Report. FY2021 revenues totaled \$34.123 billion, 15.2% more than the previous fiscal year and 17.3% above benchmark, reflecting strong performance in all major tax categories attributable to economic recovery from state and federal fiscal and monetary policies, financial market performance, and the easing of COVID-19 restrictions.

In response to the COVID-19 pandemic, DOR implemented administrative tax relief for Massachusetts businesses that collected less than \$150,000 in regular sales plus meals taxes in the 12-month period ending February 29, 2020. Likewise for businesses collecting room occupancy taxes. For these small businesses, no penalties or interest accrued during the extension period. For businesses that did not otherwise qualify, late-file and late-pay penalties were waived.

While operating predominantly in a remote environment, DOR implemented an emergency sick leave program for Massachusetts employees affected by COVID-19. Additionally, we implemented the new deduction for unemployment income that included distributing refunds to over 100,000 Massachusetts taxpayers who had already filed their 2020 state tax return.

Due to the impact of COVID-19, the 2019 personal income tax filing deadlines were extended an additional 90 days beyond the April 15, 2020 deadline. Perhaps due to social distancing mandates and remote working conditions, more than 90% of Massachusetts taxpayers filed their 2020 income taxes electronically – the highest percentage to date. DOR processed approximately 3.8 million income tax returns, averaged 14 days for refund turnaround (down 5% from the previous filing season), and issued 2.7 million refunds (67% direct deposit). In addition, taxpayers received fewer notices because of the use of enhanced data analytics.

Child Support Enforcement (CSE) created a new business process in conjunction with the Administrative Office of Probate and Family Court. In response to COVID-19 restrictions, CSE reassessed and modified its customer service and pivoted to a more centralized, virtual process that continues to allow customers to have their cases heard remotely, thereby greatly improving the case processing timeframe. The Virtual Counter option was rolled out in March 2021 and CSE staff assisted more than 500 customers remotely by the close of the fiscal year on June 30, 2021.

Additionally, CSE collected \$657.6 million in support payments during FY2021. DOR collects \$5.64 for every dollar spent on the child support program. Additionally, 94% of all child support collected was distributed to the families for which DOR is providing services.

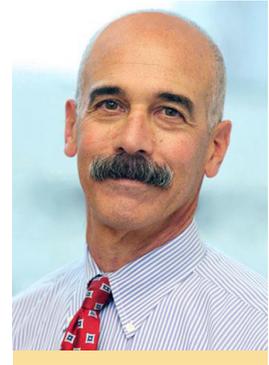
In FY2021, the Division of Local Services certified free cash for 349 communities for a total of \$1,948,415,764; certified tax levies totaling \$18,930,971,308; and distributed \$6.331 billion in net local aid to cities, towns, and regional and charter schools.

The Department of Revenue is committed to serving the taxpayers of the Commonwealth by focusing our efforts on fairness in collecting revenues, supporting our local officials by promoting sound fiscal management through training and oversight, and providing financial support for families in Massachusetts.

Sincerely,



Geoffrey E. Snyder
Commissioner



LEGISLATIVE REVIEW FY2021

Personal Income Tax and the Corporate Excise

Delay in Reinstatement of the Personal Income Tax Deduction for Charitable Contributions

The Fiscal year 2021 Budget (“FY21 Budget”), St. 2020, c. 277, delayed the reinstatement of the Massachusetts charitable deduction under G.L. c. 62, § 3.B.(a)(13), which has been suspended since the 2002 tax year, until tax years beginning on or after January 1, 2022. See St. 2020, c. 227, § 76; TIR 21-4.

Cranberry Bog Renovation Credit

“An Act Enabling Partnerships for Growth” (the “Economic Development Act”), St. 2020, c. 358 (as amended by St. 2021, c. 24), adopted new credits for expenses incurred by individuals and business entities subject to the personal income tax and the corporate excise that are primarily engaged in cranberry production. The credit is a nontransferable, refundable credit equal to 25% of expenses incurred in the renovation, repair, replacement, regrading or restoration of a cranberry bog for the cultivation, harvesting or production of cranberries. The Secretary for Energy and Environmental Affairs determines eligible costs and the amount of the credit. The amount of credit that can be claimed by a taxpayer for a taxable year cannot exceed \$100,000. The credit is available for taxable years beginning on or after January 1, 2020. See St. 2020, c. 358 § 57; TIR 22-5.

Changes to the Low-Income Housing Tax Credit

The Economic Development Act temporarily increased the cap on the amount of low-income housing tax credits (“LIHTC”) that can be allocated each year. Under G.L. c. 62, § 6I and G.L. c. 63, § 31H, the LIHTC is available to eligible individual and business taxpayers that invest in affordable rental housing. Prior to the Economic Development Act, the cap was \$20,000,000. Effective for tax years beginning on or after January 1, 2021 and ending on or before December 31, 2025, the Economic Development Act raises the cap to \$40,000,000. For tax years

beginning on or after January 1, 2026, the cap will revert to \$20,000,000. See St. 2020, c. 358, §§ 58, 59, 60, 61, 104, 112; TIR 22-5.

Tax Treatment of Unemployment Compensation Received in 2020 and 2021

Pursuant to “An Act Financing a Program for Improvements to the Unemployment Insurance Trust Fund and Providing Relief to Employers and Workers in the Commonwealth” (the “UI Trust Fund Act”), St. 2021, c. 9 § 26, for the taxable years beginning on January 1, 2020 and January 1, 2021, up to \$10,200 of unemployment compensation included in an individual taxpayer’s federal gross income was deducted for purposes of determining Massachusetts gross income, provided that the taxpayer’s household income was not more than 200% of the federal poverty level. See St. 2021, c. 9 § 26; TIR 21-6.

Tax Treatment of Forgiven Paycheck Protection Program Loans

The UI Trust Fund Act provided a deduction for cancellation of debt (“COD”) income related to forgiven Paycheck Protection Program loans (“PPP”) made under the federal Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), P.L. 116-136, § 1102(a). For PPP loan borrowers subject to the Massachusetts personal income tax including Schedule C filers, certain partners in partnerships, and S corporation shareholders, the amount of a PPP loan forgiven under the CARES Act during the 2020 tax year was excluded from income. Subsequent legislation (“An Act Relative to Immediate COVID-19 Recovery Needs” (the “Recovery Act”), St. 2021, c. 102) allowed personal income taxpayers to deduct from their Massachusetts gross income the amount of any COD income related to PPP loans that are forgiven for any taxable year beginning on or after January 1, 2021. See St. 2021, c. 9, § 12; St. 2021, c. 102, § 77; TIR 21-6; TIR 22-5.

Tax Treatment of Other Federal COVID-Related Relief Payments

The UI Trust Fund Act provided that (i) the amount of any advance received as an Economic Injury Disaster Loan pursuant to § 1110(e) of the

CARES Act; (ii) the amount of any Small Business Administration payment described in § 1112(c) of the CARES Act; and (iii) the amount of any funding received as an Economic Injury Disaster Loan pursuant to § 331 of the federal “Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act” (the “Aid to Hard-Hit Businesses Act”), P.L. 116-260, were to be deducted from Massachusetts gross income for the taxable year beginning January 1, 2020. The Recovery Act provided that personal income taxpayers were allowed to deduct these same amounts from Massachusetts gross income for the taxable year beginning on or after January 1, 2021. In addition, the Recovery Act provided that personal income taxpayers were also allowed to deduct (i) the amount of any Shuttered Venue Operator grant made under § 324 of the Aid to Hard-Hit Businesses Act; and (ii) the amount of any Restaurant Revitalization Grant received from the Small Business Administration under § 5003 of the federal American Rescue Plan Act of 2021 for taxable years beginning on or after January 1, 2021. St. 2021, c. 9, § 12; St. 2021, c. 102, §§ 77, 78; TIR 21-6; TIR 22-5.

Sales and Use Tax, Room Occupancy Excise

Cape Cod and Islands Water Protection Fund Excise Abatements

Pursuant to “An Act Making Technical Corrective Changes To The Cape Cod And Islands Water Protection Fund Tax Assessments”, enacted on September 25, 2020 by St. 2020, c. 182, certain operators who paid the Cape Cod and Islands Water Protection Fund Excise under G.L. c. 64G, § 3C were eligible to receive an abatement of the excise paid. When initially passed in December 2018, this excise was imposed on different dates for different types of lodging businesses. To address this difference in effective dates, operators who paid the excise pursuant to a contract that was entered into not later than December 31, 2018 for an occupancy that took place between July 1, 2019 and December 31, 2019, were eligible to receive an abatement of the excise paid. All claims for abatement were required to be submitted to the Department of Revenue by 5:00PM on January 15, 2021. See St. 2020, c. 182; TIR 20-17.

Advance Payment of Room Occupancy Excise, Sales and Use Tax

The FY21 Budget added section 16B to G.L. c. 62C, which requires certain vendors and operators to remit an advance payment of room occupancy excise, sales tax, and use tax. Effective for tax periods ending after April 1, 2021, certain vendors must remit on or before the 25th day of the filing period any tax collected on or before the 21st day of the filing period. This advance payment requirement does not apply to vendors or operators whose cumulative Massachusetts sales and use tax or room occupancy excise liability in the immediately preceding calendar year was equal to or less than \$150,000. Entities who fail to pay the amount due by the due date are assessed a 5% penalty on the amount of such underpayment, unless the amount remitted on or before the 25th of the month is equal to 70% or more of the total tax or excise due for the month, or the underpayment is due to reasonable cause. See St. 2020, c. 227, §§ 30, 114; TIR 21-4.

Change in the Due Date for Sales and Use Tax and Room Occupancy Excise Returns

The FY21 Budget amended G.L. c. 62C, § 16(g) and (h), changing the due date for sales and use tax and room occupancy excise returns. Effective for tax periods ending after April 1, 2021, a return required to be filed under G.L. c. 62C, § 16(g) or (h) will be due within 30 days after the close of the applicable tax period. Previously, these returns were due within 20 days after the close of the applicable tax period. See St. 2020, c. 227, §§ 29, 114; TIR 21-4.

Tourism Destination Marketing District Fee

The Economic Development Act added new Chapter 40X which authorizes a group of lodging businesses located within a defined geographic region to create a Tourism Destination Marketing District (“District”) to promote economic development. A District can impose a special assessment on lodging businesses in the District that are subject to the room occupancy excise under G.L. c. 64G. The special assessment cannot exceed 2% of rent subject to the room occupancy excise. The Department of Revenue is responsible for collecting this special assessment

and the Massachusetts State Treasurer's Office will distribute these funds to the District on a quarterly basis. St. 2020, c. 358 § 56.

Tax Administration

Massachusetts Treatment of Partnerships that are the Subject of a Federal Audit

The FY21 Budget enacted G.L. c. 62C, § 30B, which requires partnerships and their partners to inform the Department of Revenue of a federal tax audit, report tax changes or obligations that derive from such an audit, and account for any resulting state tax liability. The new section includes provisions that (i) require audited partnerships to amend their Massachusetts nonresident composite returns or withholding reports; (ii) allow audited partnerships to make an election to pay state tax on behalf of their partners; and (iii) require partners in an audited partnership to directly pay state tax in certain instances. The new provisions were effective as of January 1, 2021. See St. 2020, c. 227, § 31; TIR 21-4.

Penalties Related to Automated Sales Suppression Devices or Phantom-ware

The FY21 Budget enacted G.L. c. 62C, § 35F to G.L. c. 62C, which established new penalties relating to automated sales suppression devices or phantom-ware, which include software programs or hardware used by vendors to falsify electronic records of electronic cash registers or

other point-of-sale systems. Pursuant to the new section, a person or entity that sells or offers for sale an automated sales suppression device or phantom-ware will be subject to a civil penalty of not more than \$25,000 for the first offense and not more than \$50,000 for each subsequent offense, and a person or entity that purchases, installs, transfers, maintains, repairs or possesses an automated sales suppression device or phantom-ware will be subject to a civil penalty of not more than \$10,000 for the first offense and not more than \$25,000 for each subsequent offense. See St. 2020, c. 227, § 32; TIR 21-4.

Waiver of Penalties Assessed for Nonpayment of Taxes on Unemployment Compensation

The UI Trust Fund Act provided relief to individual taxpayers from certain penalties relating to nonpayment of taxes on unemployment compensation. The UI Trust Fund Act authorized a waiver of penalties which would have been assessed against a taxpayer solely for failure to remit taxes imposed on unemployment compensation received during the 2020 tax year. See St. 2021, c. 9, § 8; TIR 21-6.

Change to the Filing Due Date for Personal Income Tax Forms for Tax Year 2020

The UI Trust Fund Act the deadline for filing and remitting all Massachusetts individual income tax returns and payments for the 2020 calendar year to May 17, 2021. See St. 2021, c. 9, § 9; TIR 21-6.

THE TAXES FY2021

TYPE OF TAX	MEASURE	RATE ¹	RETURN DUE
Personal income and fiduciary income	Net capital gains ²	5–12%	On or before April 15 for calendar year filings. The 15th day of the 4th month for fiscal year filings. ³
	Dividends, interest, wages, other income	5%	
Nonresident	Massachusetts source income	5%	
Estimated tax	Liability in excess of \$400		Due quarterly on or before the 15th day of April; June, September and January.
Withholding	Wages	5%	Varies depending on amount of tax withheld in calendar year. If annual withholding: up to \$100 — annual filing; \$101–1,200 — quarterly filings; \$1,201–25,000 — monthly filings; over \$25,000— quarterly filings, weekly payments.
Estate	Federal taxable estate	0.8%–16% ⁴	Within nine months after date of decedent's death.
Nonresident	Massachusetts real and tangible property ⁴		Within nine months after date of decedent's death.
Alcoholic beverages	Malt (31-gal. bbl.)	\$3.30	Monthly, on or before the 20th day of the month.
	Cider 3%–6% (wine gal.)	\$.03	
	Still wine 3%–6% (wine gal.)	\$.55	
	Sparkling wine (wine gal.)	\$.70	
	Alcoholic beverages 15% or less (wine gal.)	\$1.10	
	Alcoholic beverages more than 15%–50% (wine gal.)	\$4.05	
	Alcoholic beverages more than 50% or alcohol (proof gal.)	\$4.05	
Cigarettes	20-count package	\$3.51	Monthly, on or before the 20th day of the month. Unclassified acquirers must file upon importation or acquisition.
	Smokeless tobacco (percentage of price paid by licensee)	210%	same as cigarettes
	Electronic Nicotine Delivery Systems (ENDS)(wholesale price)	75%	same as cigarettes
	Cigars and smoking tobacco (percentage of price paid by licensee)	40%	Quarterly, on or before the 20th day following the close of the tax period.
Deeds	Sales price (less mortgage assumed) of real estate	\$2.28 ⁵ per \$500	Monthly, on or before the 10th day of the month (filed by Registers of Deeds).
Motor fuels	Gasoline and diesel fuel per gallon	\$.24	Monthly, on or before the 20th day of the month.
	Propane, liquified gas, etc. (no minimum)	19.1%	
	Aviation (10¢ minimum)	7.5%	
	Jet fuel at local option (5¢ minimum)	5%	
Room occupancy	Transient room occupancy	5.7%	Monthly, on or before the 20th day following the close of the tax period.
	At local option, up to	6.0% ⁶	
	Convention Center Financing Fee (Boston, Cambridge, Springfield, Worcester, Chicopee and West Springfield)	2.75%	
	Cape Cod and Islands Water Protection Fund Fee (Barnstable, Nantucket and Dukes Counties)	2.75%	
	Community Impact Fee, At local option on certain short-term rentals	up to 3%	
	Tourism Destination Marketing District Fee, at local option	up to 2%	

TYPE OF TAX	MEASURE	RATE ¹	RETURN DUE	
Club alcoholic beverages	Gross receipts	0.57%	On or before April 15.	
Sales and use tax	Sale, rental or use of tangible personal property, including cigarettes, telecommunication services and certain fuel.	6.25%	On or before the 20th day following the close of the tax period. If annual liability: up to \$100 — annual filing; \$101–1,200 — quarterly filings; over \$1,200 — monthly filing	
Sales tax on meals, prepared food and all beverages	All “restaurant” food and on-premises consumption of any beverages in any amount. At local option	6.25% .75%	Monthly, on or before the 20th day following the close of the tax period.	
Marijuana retail taxes	Sales of marijuana or marijuana products State excise tax Local option for cities and towns	6.25% 10.75% up to 3%	Monthly, on or before the 20th day following the close of the tax period.	
Direct broadcast satellite service	Gross revenues	5%	Monthly, on or before the 20th day of each calendar month.	
Business and manufacturing corporations	Net income Tangible property or net worth Minimum	8.0% ⁷ \$2.60 per \$1,000 \$456	On or before the 15th day of fourth month after close of taxable year. ⁸	
Estimated tax	Liability in excess of \$1,000		Due quarterly as follows: 15th day of 3rd (40%), 6th (25%), 9th (25%) and 12th (10%) months of taxable year. ⁹	
Security corporation	Non-bank holding co. Bank holding company	Gross income Gross income Minimum	1.32% 0.33% \$456	Same as business corporations.
Financial institutions	Net income Minimum	9.0% ¹⁰ \$456	Same as business corporations.	
Ship excise tax	Value (equity interest) of the corporation’s interest in a ship or vessel engaged in interstate or foreign trade.	0.33%	Same as business corporations.	
Insurance company	Domestic life Foreign life Domestic casualty Foreign casualty Ocean marine Preferred provider arrangements	Premiums Premiums Premiums Gross investment income Premiums Underwriting profit Premiums	2.0% 2.0% 2.28% 0.2%–1.0% 2.28% 5.7% 2.28%	On or before April 15. On or before May 15. On or before March 15.
Motor vehicle garaged outside Massachusetts	90% to 10% of manufacturer’s list price	\$25 per \$1,000	On or before 30 days from issuance of tax bill.	
Boston sightseeing tour	Ticket purchase price of any water- or land-based sightseeing tourist venue or entertainment cruise or trolley tour originating or located in Massachusetts and conducted partly or entirely in Boston.	5%	Quarterly, on or before the 20th day following the close of the tax period.	

TYPE OF TAX	MEASURE	RATE ¹	RETURN DUE
Boston vehicular rental transaction surcharge	Each vehicular rental transaction contract executed in Boston.	\$10	Quarterly, on or before the 20th day following the close of the tax period.
Parking facilities surcharge in Boston, Springfield and/or Worcester	Parking facilities built in conjunction with or as part of a project authorized by the Convention Center Financing Act in Boston, Springfield or Worcester.	\$2 per vehicle per day	Quarterly, on or before the 20th day following the close of the tax period.

¹ Tax rates as of August 1, 2020.

² Gains from the sale or exchange of capital assets (except collectibles) held for more than one year are taxed at 5%. Short-term capital gains, as well as long-term capital gains arising from the sale of collectibles (with a 50% deduction) are taxed at 12%.

⁴ Resident rate is equal to federal credit for state death taxes based on December 31, 2000 IRC. Nonresident rate is equal to Massachusetts proportionate share of federal credit for state death taxes.

⁵ In Barnstable County, the rate is \$6.48 (combined state and county deeds excise) per \$1,000.

⁶ Boston is authorized to charge up to 6.5%

⁷ S corporations: 3% if total receipts are \$9 million or more; 2% if total receipts are \$6 million or more but less than \$9 million.

⁸ In general, all S corporation returns are due on the 15th day of the third month. However, an S corporation filing as a taxable member of a combined group may file its corporate excise return on or before the 15th day of the fourth month following the close of the combined group's taxable year.

⁹ 30%, 25%, 25% and 20% for corporations with fewer than 10 employees in their first full tax year.

¹⁰ S corporations: 4% if total receipts are \$9 million or more; 2.63% if total receipts are \$6 million or more but less than \$9 million.

REVENUE COLLECTIONS FY2021

In thousands	FY17	FY18	FY19	FY20	FY21	% change FY20-21
STATE TAXES COLLECTED BY DOR						
Alcoholic Beverages	\$ 84,468	\$ 84,978	\$ 86,195	\$ 87,621	\$ 92,660	5.8
Financial Institutions	(130)	17,443	19,467	9,311	44,926	382.5
Cigarettes ¹	619,437	594,173	553,261	523,963	398,214	(24.0)
Corporations	2,196,705	2,392,154	2,927,160	2,523,446	3,626,597	43.7
Deeds	205,758	193,541	218,532	215,812	278,547	29.1
Estate and Inheritance Income ¹	336,633	472,956	601,306	699,555	787,764	12.6
Insurance	14,699,874	16,255,655	17,125,833	17,388,969	19,662,123	13.1
Motor Fuels and I.F.T.A ²	358,170	363,569	400,597	415,459	480,483	15.7
Public Utilities	769,442	769,144	775,463	707,877	662,932	(6.3)
Room Occupancy ³	(101)	(650)	40	(346)	1,472	(525.6)
Sales and Use ³	255,458	263,449	283,708	252,268	124,220	(50.8)
Club Alcoholic Beverages	6,241,666	6,491,262	6,842,956	6,846,338	7,849,850	14.7
Motor Vehicle Excise	929	865	926	750	546	(27.2)
Convention Center Surcharges	97	116	77	195	783	302.2
Community Preservation Trust	16,868	17,178	17,001	16,682	4,233	(74.6)
Controlled Substances	26,676	23,794	23,174	42,134	82,212	95.1
Satellite	0	0	13,949	51,685	112,370	117.4
Statewide car rental	10,942	9,721	8,605	7,634	6,708	(12.1)
	—	—	1,096	6,174	3,242	(47.5)
Total state taxes collected by DOR	\$25,822,892	\$27,949,346	\$29,899,345	\$29,795,526	\$34,233,184	14.9
STATE TAXES COLLECTED BY OTHER AGENCIES						
Massachusetts Gaming Commission:						
Pari-Mutual Taxes	\$ 902	\$ 887	\$ 788	\$ 741	\$ 1,117	50.8
Gaming Revenue Taxes	63,432	\$8,010	130,702	187,870	224,007	19.2%
Lottery Commission:						
Beano	787	731	697	481	\$30	(93.9)
Raffles and Bazaars	955	1,031	1,123	857	585	(31.8)
State Athletic Commission:						
Boxing Contests	455	208	126	150	0	(100.0)
Boxer's Fund	85	33	13	23	0	(100.0)
Division of Insurance:						
Excess and Surplus Lines Insurance	393,491	42,682	44,848	54,660	56,922	4.1
Secretary of State:						
Deeds Excise Stamp Tax Fees	91,435	90,956	99,815	98,338	118,630	20.6
Division of Unemployment Assistance:						
Workforce Training Contribution	24,400	24,676	25,131	25,743	21,363	(17.0)
Total state taxes collected by other agencies	\$ 221,314	229,214	303,244	368,863	422,653	14.6
TOTAL STATE TAXES	\$26,044,206	\$28,178,561	\$30,202,589	\$30,164,389	\$34,655,837	14.9

In thousands	FY17	FY18	FY19	FY20	FY21	% change FY20–21
OTHER REVENUE						
Local option airplane jet fuel	\$ 19,010	\$ 25,700	\$ 36,197	\$ 31,217	\$ 9,798	68.6
Local option rooms	206,129	212,447	228,914	209,229	108,844	(48.0)
Local option meals	125,999	133,791	142,217	125,822	109,249	(13.2)
Local option marijuana	0	0	3,893	14,386	31,252	117.2
Local option vehicle rental surcharge	0	0	1,768	1,770	595	(66.4)
Local option community impact fee	0	0	0	630	924	46.8
Urban redevelopment	26,394	28,862	30,385	29,696	63,650	114.3
Department non-tax revenue	8,733	8,828	13,273	9,109	12,261	34.6
Paid family and medical leave	0	0	0	638,440	951,781	49.1
County recording fees	29,293	24,317	25,698	30,082	39,707	32.0
Abandoned deposits – bottle	45,428	44,758	53,333	60,358	71,637	18.7
Local rental vehicle (Convention Center 10%)	1,578	1,542	0	0	0	—
Vehicle rental surcharge	171	149	0	0	0	—
Embarkation fees	1,420	1,421	1,509	1,518	0	(100.0)
UST delivery fees	76,085	79,951	78,869	74,869	69,778	(6.8)
Cape Cod & Islands water protection fund	0	0	0	9,359	15,558	66.2
Total other revenue	\$540,241	\$561,765	\$616,056	\$1,236,486	\$1,485,034	20.1
TAXES ON PROPERTY COLLECTED BY LOCAL GOVERNMENT						
Real Estate	\$15,089,741	\$15,765,842	\$16,519,215	\$17,287,537	\$18,030,614	4.3
Personal Property	741,663	774,617	803,182	844,697	900,357	6.6
Motor Vehicles	867,553	916,471	927,082	894,810	912,272	2.0
Total taxes on property collected by local government	\$16,698,956	\$17,456,931	\$18,249,479	\$19,027,044	\$19,843,243	4.3
TOTAL ALL TAXES	\$43,283,403	\$49,068,125	\$49,068,125	\$50,427,918	\$55,984,114	11.0

¹ Includes income tax penalties assessed under Section 2 of Chapter 111M of the General Laws and cigarette excise revenues credited to the Commonwealth Care Trust Fund in accordance with Chapter 302, Sections 12 and 70 of the Acts of 2008.

² Due to different accounting methods, amounts reported for the deeds excise differ from those reported by the comptroller.

³ International Fuel Tax Agreement.

Because of rounding, detail may not add to totals.

OFFERS IN FINAL SETTLEMENT FY2021

Under M.G.L. c. 62C, sec. 37A, the Commissioner of Revenue has the authority, under specific conditions, to accept less than full payment as a final settlement for a state tax liability. The statutory condition for such settlement is “serious doubt” as to collectibility of the tax due or the taxpayer’s liability for it. The Commissioner must also determine that the taxpayer or responsible person has acted without intent to defraud. The settlement must be recommended to the Commissioner by at least two deputy commissioners.

The written agreement, signed by all parties and including the reasons for settlement, is a public record. In cases where the

liability is reduced by more than half, or by \$20,000 or more, the Attorney General of the Commonwealth must review the settlement and has the authority to object to it.

The law requires that a listing of all settlements entered into during the fiscal year be included in the Commissioner’s annual report. In Fiscal Year 2021, ten settlements were made. All ten were reviewed by the Attorney General.

The cases approved were as follows:

TAXPAYER NAME	TOTAL TAX, INTEREST & PENALTIES	AMOUNT PAID IN SETTLEMENT	AMOUNT ABATED
Thomas E. Romano & Barbara A. Romano	\$ 24,054.42	\$14,000.00	\$ 10,054.42
KBJM, Inc. & Joshua Michalak as Responsible Person	43,732.92	23,864.00	19,868.92
Glammds, Inc. & Andrew A. Sussman as Responsible Person	63,724.54	25,500.00	38,224.54
Medas Electric, Inc. & Medas Electrical Contracting, Inc. & Scott C. Medas as Responsible Person & Scott C. Medas Individually for Income Taxes	94,959.99	36,300.00	58,659.99
Café Funchal & Duarte DaSilva & Luis DaSilva as Responsible Person	438,156.07	58,901.00	379,255.07
David M. Wahl	29,805.42	5,000.00	24,805.42
Bronzetti, Inc. & Robert M. Bronzetti as Responsible Person	123,275.93	30,000.00	93,275.93
Vincent L. Gorman	15,308.94	4,800.00	10,508.94
Coral Reef Aquarium, Inc. & Jeremy J. Russell & Ruth M. Taunton as Responsible Persons	162,064.10	85,787.63	76,276.47
TOTALS	\$995,082.33	\$284,152.63	\$710,929.70

Because of rounding, detail may not add to totals.

COLLECTION AGENCIES FY2021

Chapter 209 of the Acts of 1988 permits the Commissioner of Revenue to use private collection agencies to collect unpaid state taxes. The Commissioner is required to notify all taxpayers whose accounts are to be assigned to a collection agency at least 30 days beforehand.

The law requires that the Commissioner list all agencies with whom collection agreements exist, the amount of taxes collected and the amount of compensation paid in the Department's annual report. They are as follows:

CONTRACTOR	TOTAL COLLECTED	FEES PAID	NET TO DOR
Allen Daniel Associates	\$6,487,922.72	\$605,579.70	\$5,882,343.02
EOS-CCA	6,464,649.58	752,044.74	5,712,604.84
TOTAL	\$12,952,572.30	\$1,357,624.44	\$11,594,947.86

Because of rounding, detail may not add to totals.